GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1378
ANSWERED ON:16.07.2004
HDFC HOUSING LOAN
Bishnoi Shri Jaswant Singh

Will the Minister of FINANCE be pleased to state:

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(a) the control of RBI over Housing Financial Institutions like HDFC in respect of Housing Loan;

(b) whether HDFC disburses only 80% amount of Housing Loan sanctioned and the remaining 20% loan is disbursed after taking the possession of the flat by the customer;

(c) if so, whether the Government is aware that the customer has to borrow the 20% amount from outside agencies after giving them huge amount of interest thereon;

(d) if so, whether the Government proposes to make necessary changes in the Housing Loan disbursement policy of HDFC in the interest of customers; and

(e) if so, by when ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) RBI does not have direct control over housing finance institutions in respect of housing loans granted by them. The National Housing Bank (NHB) is the apex bank, which regulates the Housing Finance institutions including Housing Development Finance Corporation (HDFC).

(b) & (c) HDFC provides upto 85% of the cost of the property as a loan subject to the repayment capacity of the borrower. The balance 15% is margin money from the borrower.

(d) No, Sir.

(e) Does not arise.